

December 21, 2004

Real Estate Division
Acquisition/Management and Disposal Branch

Dear Interested Party:

The U.S. Army Corps of Engineers, St. Louis District is seeking applicants for private resort concession development at Frank Russell Recreation Area located at Mark Twain Lake, Missouri. Mark Twain Lake covers approximately 18,600 acres surrounded by 285 miles of lake shoreline, and approximately 38,380 acres of public land. The picturesque lake receives approximately 2,000,000 visits annually. The Corps of Engineers manages 16 recreational sites offering a variety of recreational activities including sightseeing, fishing, boating, water skiing, camping, picnicking, swimming, hiking and hunting.

An area commonly known as Frank Russell Recreation Area has been selected as the site for private development. The area is further described in the "Location and Site Description" section of this notice.

The United States Government, as owner of the real property located at the proposed development site, has three major objectives:

1. To obtain a high-quality, commercial development that provides facilities for public use; and
2. To obtain an appropriate monetary return to the Government for use of public land; and
3. To offer an opportunity for the selected developer to receive an appropriate return on investment.

This is an opportunity for interested developers to submit applications based upon their interpretation of public need and market feasibility. The Government has conducted a limited market analysis and concludes that a demand for commercial, overnight accommodation development is needed in the area. A minimum level of development is required. The Government does not provide any warranty that demand will support the minimum requirements.

No analysis was conducted to support more substantial development. Careful consideration should be given to the economics, financing, and operation of any proposed facilities. Further market studies for significant investments may be required to substantiate proposed development. These studies will be the applicant's responsibility. The Government does not guarantee success of any development.

This package contains pertinent information required to submit an application. The requirement for construction of minimum facilities is presented in the following material. Careful attention should be given to the proper submission of the required information contained in sections entitled **GENERAL INSTRUCTIONS AND REQUIRED APPLICANT INFORMATION**.

A pre-proposal conference for all interested applicants is tentatively scheduled for 10:00 a.m. on January 12, 2005, at the Mark Twain Lake Project Office conference room, to identify any questions regarding the application requirements.

The information contained in this package is provided solely as notice to prospective applicants. The final executed lease shall constitute the entire final agreement between the government and the successful applicant.

Copies of this package may be obtained by contacting the Mark Twain Lake Project Office, 20642 Highway J, Monroe City, Missouri 63456, telephone (573) 735-4097, or by calling Mary Winston of the Real Estate Division at (314) 331-8183, or writing to: U.S. Army Corps of Engineers, Real Estate Division (CEMVS-RE-A), 1222 Spruce Street, St. Louis, MO 63103-2833, Copies of this package may also be obtained by accessing <http://www.mvs.usace.army.mil/> and following links to the advertisement press release.

Sincerely,

Thomas R. Hewlett
Chief, Real Estate Division

Enclosure

NOTICE OF AVAILABILITY
FOR LEASING OF
GOVERNMENT LAND
AT
MARK TWAIN LAKE, MISSOURI
FOR
PRIVATE DEVELOPMENT LEASE
U.S. ARMY CORPS OF ENGINEERS
ST. LOUIS DISTRICT

DEADLINE FOR RECEIPT OF APPLICATIONS
DATE: CLOSE OF BUSINESS, March 25, 2005
WHERE: U.S. ARMY CORPS OF ENGINEERS
ACQUISITION/MANAGEMENT AND DISPOSAL BRANCH,
REAL ESTATE DIVISION
1222 SPRUCE STREET
ST. LOUIS, MISSOURI 63103-2833

Notice No. DACW43-9-04-50

November 1, 2004

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EXHIBITS

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Site Map.....	EXHIBIT "B"
Sample Concession Lease.....	EXHIBIT "C"
Site Concept Plan.....	EXHIBIT "D"
Topographic Map of Harbor.....	EXHIBIT "E"
Project Brochure.....	EXHIBIT "F"
Application and Transmittal Form.....	EXHIBIT "G"
Certificate of Authority.....	EXHIBIT "H"
Required Forms.....	EXHIBIT "I"
Checklist.....	EXHIBIT "J"
Application Evaluation Matrix.....	EXHIBIT "K"

SCHEDULE*

Pre-proposal Conference (tentatively).....January 12, 2005
Deadline for Submission of Applications.....March 25, 2005
Award Commercial Concession Lease.....May 3, 2005

***Note:**

This schedule is an estimate. All necessary regulatory permits and approvals must be obtained prior to commencement of construction. The amount of time for regulatory review is dependent upon the nature of any environmental issues that are identified during the process.

LOCATION AND SITE DESCRIPTION

Clarence Cannon Dam and Mark Twain Lake is located on the Salt River and lies principally in Monroe and Ralls Counties. The main dam is located at mile 63.0 on the Salt River and is situated approximately 12 miles southeast of Monroe City, in Ralls County, Missouri. A re-regulation dam is located 9.5 miles downstream from the main dam site. The project area is served on the north by U.S. Highway 24 and U.S. Highway 36, and on the south by State Highway 154. State Highway 107 runs north and south through the project area and provides a major reservoir crossing near Florida, Missouri. State Highway J crosses the main dam and is a major north-south reservoir route on the east end of the lake. This multipurpose project was completed in 1984, and provides for flood control on the lower Salt River and Upper Mississippi River, hydropower, water supply, fish and wildlife conservation, recreation, water quality enhancement, and incidental navigation on the Mississippi River. At its normal pool, the lake has a water surface of 18,600 acres, 285 miles of shoreline, and a length of 24 miles.

The area available for development is typically referred to as Frank Russell Concession Area, and is described in EXHIBIT "A" and shown in EXHIBIT "B". The concession area is approximately 331 acres area, and has never been developed. Initial development of the resort/hotel complex shall occur within the area designated as Initial Concession Area shown on EXHIBIT "B". The area is located on the east side of the lake, adjacent to the Frank Russell Recreation Area to the south, and the John Spalding Recreation Area to the north, and is approximately 1/2 mile west of State Highway J. A site map of the proposed commercial development area is shown as EXHIBIT "B".

The Frank Russell Recreation Area is a high density recreation area that features 65 camp sites, equestrian facilities (corral and camping), waterborne facilities, and multi-use trail. The John Spalding Recreation Area is a high density recreation area that features a day use picnic area, a four lane boatramp with associated parking facilities, a beach with associated shower house, and a multi-use trail.

Water, sewer and electric services are available along State Highway J. All utility infrastructure placed parallel with the proposed roadway will traverse an operational facility designated as the "Saddle Dam". Special construction considerations will be necessary during the utility placement/development.

AUTHORITY TO LEASE

The authority of law for the issuance of a lease for this property is Title 16 of the United States Code, Section 460d.

GENERAL LEASE TERMS AND CONDITIONS

a. Lease Form. The successful applicant will be required to enter into a lease with the United States on a form substantially in conformance with the enclosed sample lease shown as EXHIBIT "C".

1. **Lease Term.** The lease will be issued for a term of 25 years or less, and may include an option to renew. The lease term length will be dependent upon and commensurate with, the amount of proposed investment. Applications which require terms beyond twenty-five years will be considered; however, they will require additional justification by the applicant and approval by the Director of Real Estate, U.S. Army Corps of Engineers, Washington, D.C.

2. **Non-Discrimination Policy.** By submittal of an application, the applicant agrees to provide non-discrimination and Civil Rights assurances, if applicable.

3. **Prohibited Uses.** Particular attention should be paid to Condition No. 18.g. of the sample lease which prohibits timeshare ownership on Government property, and to Condition No. 22 of the sample lease, which describes the Corps' limitations on gambling on Government property.

4. **Signs.** All signage on the proposed area must be in accordance with The Corps of Engineers' Sign Standards Manual, EP 310-1-6A, Chapter 17, which will be provided upon request.

b. Site Development Area. EXHIBIT "B" generally depicts the proposed development area. **Initial development of the resort/hotel complex will occur in the Initial Concession Area as indicated in EXHIBIT "B".** A more detailed description of the site will be included as an exhibit to the lease when more detailed development plans are presented by the applicant. Applicants are responsible for performing their own inspections to determine conditions at the site.

c. Comprehensive Environmental Response, Compensation and Liability Act. An Environmental Baseline Study (EBS) was conducted by the Government on the subject property pursuant to the Comprehensive Environmental, Response, Compensation and Liability Act, 42 USC 9601 et seq., to determine if there was evidence that the property was the site of release, storage, or disposal of hazardous substances, and to identify the nature of any such substance, when it was on the property, and any remedial actions taken. The EBS consisted of a review of all pertinent records available with the St. Louis, District, U. S. Army Corps of Engineers, as well as a visual inspection of the site. Upon completion of the screening, an EBS statement was prepared and executed on behalf of the Government. The EBS statement will be attached to the lease as an Exhibit to serve as documentation of the baseline condition of the property, and assist in determining any environmental restoration requirements of the lessee upon termination or transfer of the lease.

d. Plan Development Period. Plans for the proposed facilities must be developed within four months of the date of execution of the lease by the Government. The Lessee may not provide and furnish additional facilities unless approved by the Government. Regardless of the proposal, all construction will be documented in a mutually agreed upon development plan that will become part of the lease.

e. Completion of Minimum Facilities. Construction of the minimum facilities as defined in this Notice **must be completed within 24 months following the execution of the lease.** In the event that the minimum facilities have not been constructed and are not fully operational to the satisfaction of the District Engineer, the District Engineer shall have the option to terminate the lease.

f. Consideration. The annual rental for this lease will consist of a percentage of Gross Receipts to be calculated in accordance with Condition **2. CONSIDERATION**, of the enclosed sample lease, marked as EXHIBIT "C".

g. Permits. The Concessionaire shall be responsible for obtaining all relevant environmental/construction permits prior to construction. This includes, but not limited to Section 404 permit and County or State sanitation waste permits.

Minimum Development Required

A Site Concept Plan for the Frank Russell Recreation Area is detailed in EXHIBIT "D" attached hereto. Please refer to the site concept plan for further information regarding minimum development and potential development for the Frank Russell Recreation Area site.

Potential Development

Depending on the type of development proposed, there are potentially 331 acres available for lease, as depicted in EXHIBIT "B" site map. **Desired development areas should be specifically identified in the submitted development proposal.** Initial development of the resort/hotel complex will occur in the Initial Concession Area as indicated in EXHIBIT "B".

Portions of the 331 acres could be excluded due to non-compatible environmental and aesthetic concerns.

No buildings or storage structures shall be constructed below an elevation of 620.0' N.G.V.D.

Arrangements for Inspection

The lease site is available for inspection by prospective bidders. Please contact Allen Mehrer at the Mark Twain Lake Project Office at 20642 Highway J, Monroe City, Missouri or by telephone at (573) 735-4097 to make an appointment to inspect the property. Inspection is limited to the lease area.

Water Fluctuation

During periods of drought, or lake draw down, shallow water may limit the types of boats able to use the harbors and the type of docks used in the harbors. The attached topographic information is as good as of the date of the development of the map, and does not reflect possible changed conditions. Refer to EXHIBIT "E". The Government is not liable for possible changed conditions in the harbor vicinity.

Mark Twain Lake fluctuates between 592.0' to 638.0' NGVD, with the lake repetitively reaching elevations of 625.0' - 630.0' NGVD and lowering to 596.0' - 600.0' NGVD. Target (rule curve elevation) pool elevation for Mark Twain is 606.0' NGVD. The pool can exceed 638.0' NGVD. The lake provides for flood control with a maximum flood pool of 638.0' NGVD. In the past, lake elevation exceeding in any given year 620.0' NGVD occurs about 25% of the time. Since Mark Twain began operation in 1984, water levels have risen to 630.0' NGVD 7 times and above 636.0' NGVD only two. **Lake elevations can rise rapidly during periods of heavy**

precipitation. Please note that past history is not necessarily a good predictor of future water levels. Offerors are advised that **Flood Control Operations may impact boat docking facility operation.** Nothing stated or implied in this section relieves prospective bidders of the obligation to inspect the site nor warrants or guarantees any adverse future condition due to flood control operation.

Warranty

The property described herein will be leased in accordance with the provisions and conditions of this Notice of Availability For Lease. A generic sample of the lease to be offered is provided in EXHIBIT "C". Applicants are expected to inspect the property and form their own conclusions as to its suitability for their purposes. **The failure of any applicant to make such inspection will not constitute grounds for any claim for adjustment or any refund of the application fee associated with this notice. It is to be understood and agreed that there is no warranty of any character other than expressly stated in this Notice.**

The information contained in this package is provided solely as notice to prospective applicants. Negotiations will narrow the pool of applicants and it is anticipated that final negotiations will include only one applicant. That applicant is not guaranteed the award of the lease, with the decision made at the sole discretion of the Government. The Government reserves the right to terminate negotiations with any or all prospective lessees at any point in time. The final executed lease shall constitute the entire final agreement between the government and the successful applicant.

GENERAL SELECTION CRITERIA

The following information will be considered to assist the Government in selecting the successful lease applicant. The following criteria are listed below in the order of importance considered during the evaluation process.

1. **Financial Capability**
 - 1.1. Bank references
 - 1.2. Financial Statement
 - 1.3. Financial/Business Plan for first five years
 - 1.4. Letter of credit or evidence of loans or loan eligibility from lending institution (s)
2. **Proposed Plan of Operation and Development**
 - 2.1. Design in accordance with **EXHIBIT "D"** entitled **"REQUIRED MINIMUM FACILITIES AND POTENTIAL FACILITIES"**
 - 2.2. Design quality and nature of development
 - 2.3. Proposed operation of the development
 - 2.4. Proposed construction sequencing/phasing
 - 2.5. Compatibility with the lake setting
3. **Experience and Background**
 - 3.1. Comparable experience including environmental, size and diversity of operations
 - 3.2. Business experience and training - staffing, safety, security
 - 3.3. Current or previous work with Federal Government
 - 3.4. Business and personal references of Officers
4. **Credit and Criminal Background Check**

REQUIRED APPLICANT INFORMATION

All forms required in this section can be found in EXHIBIT "I". An original and five copies of the following information **must be provided, in the order listed below and labeled as shown below**, to assist the Government in selecting the successful applicant:

a. **General Information:** Complete the form entitled "APPLICANT" provided in EXHIBIT "I". The form requires that the applicant provide; name, address, date of birth, telephone number, and social security number of the applicant and, if applicable, the name, address, date of birth, telephone number, and social security number of a representative authorized to act on behalf of the applicant during the course of the project.

b. **Experience and Background:** (Note: All criminal background check information will be held in confidence).

1. List all previous business endeavors with a description of the business operation and status.

2. List the relevant major projects that you successfully completed within the last ten years. Provide the names, descriptions, photos of each project, performance, and the role and services provided by your business.

3. Provide a description of management qualifications and experience. List the qualifications of key personnel and their respective roles during the planning and development of the facility.

4. Provide personal and business references for all officers and key personnel of the business that will be associated with the project.

5. If applicant is a corporation, the following information is required:

(a) Complete the form entitled CORPORATION STATEMENT provided in EXHIBIT "I",

(b) Articles of Incorporation and by-laws, and a current certificate of good standing from the Secretary of State's office of the incorporating state,

(c) Corporate resolution approving the Application or a Certificate of Authority (EXHIBIT "H") showing the authority of the person signing the Application and Transmittal Form to execute the form for the Corporation,

(d) Summary of Corporate Activity,

(e) An original copy of current credit information from a nationwide credit bureau for all officers of the corporation, and

(f) A certified criminal background check for all officers of the corporation from each officer's local law enforcement agency to include a National Crime Information Center check.

5. If the applicant is a partnership, the following is required:

(a) Complete the form entitled PARTNERSHIP AGREEMENT provided in EXHIBIT "I",

(b) The partnership agreement,

(c) An original copy of current credit information from a nationwide credit bureau for all major partners, and

(d) A certified criminal background check for all major partners from each partner's local law enforcement agency to include a National Crime Information Center check.

6. If applicant is a sole proprietor, the following is required:

(a) Name, telephone number, social security number, date of birth, and current address,

(b) An original copy of current credit information from a nationwide credit bureau, and

(c) A certified criminal background check from the appropriate local law enforcement agency to include a National Crime Information Center check.

c. **Financial Capability** (Note: All financial data will be held in confidence).

1. If the applicant is a corporation or partnership, **a current financial statement** (which includes a balance sheet, income statement, and a statement of cash flows) **for the corporation or partnership prepared by an independent Certified Public Accountant or by an independent licensed public accountant is required.** The financial statements should be provided for the most recent fiscal year and the four (4) prior years, if available.

2. Provide the names, addresses, and telephone numbers of at least two commercial or institutional credit references from which the applicant has previously obtained financing. Attach a letter authorizing each credit reference to respond to inquiries from the Government.

3. Provide any current letters of credit, loan documents, or loan eligibility letters which a lending institution may have negotiated with you.

4. Provide a financial/business plan for the first five years detailing the proposed development and operation of the leased premises. A cost/revenue projection form has been provided in EXHIBIT "I", with the minimum required facilities listed on the form. The proposed facilities and services, the cost of improvements by feature by year, the projected revenue by item, and the source of financing for each must be entered into the form provided in EXHIBIT "I". In addition, an annual cash flow statement for each of the first five years is required.

5. Provide detailed plans of how the proposed development will be financed. Include the amount of equity capital, amount of interim financing, amount of permanent financing, source of equity funds, type or name of lending institutions, etc.

d. **Plan of Operation and Development.**

1. Provide a five-year plan for development and operation of the leased premises. The plan must include management strategy, staffing plan, operational procedures, marketing plan, and fee proposals.

2. Capital Improvement Plan - Provide a conceptual site plan, to scale, depicting landscaping, buildings, docks, platforms, roads, and any other proposed facilities.

3. Identify key positions within the corporation, partnership, et. al., their duties and responsibilities as they relate to the business, and the person(s) assigned thereto, including that information pertaining to the on-site manager.

4. Other information may be requested as required by the District Engineer or his authorized representative. **A formal presentation and explanation of the proposed development may be required.**

e. **Pending Litigation:** Provide detailed information regarding litigations, liens, or claims involving any participant in the proposal.

SUBMISSION INSTRUCTIONS

a. **Required Submittals.** EXHIBIT "G" (APPLICATION AND TRANSMITTAL FORM) must be signed by the applicant and returned with the detailed information called for in the section entitled **REQUIRED APPLICANT INFORMATION.**

b. **Marking and Sealing Applications.** Written Applications must be enclosed in a sealed, marked, and addressed envelope, which must contain the following:

1. **RETURN ADDRESS OF APPLICANT**

2. A notation reading:
**SEALED APPLICATION FOR LEASE OF REAL PROPERTY AT
MARK TWAIN LAKE, MISSOURI - DO NOT OPEN IN MAILROOM**

3. All submittals must be mailed to:
**TO: District Engineer
St. Louis District, U. S. Army Corps of Engineers
ATTN: CEMVS-RE-A
1222 Spruce Street
St. Louis, Missouri 63103-2833**

The following Notice Number must appear in the lower left corner of the envelope:

Notice No. DACW43-9-04-50

c. **Deadline.** Applications will be accepted until **Close Of Business (C.O.B.), March 25, 2005.** Applications must be received at the submittal address given above by the deadline. Modifications of the original application may be made in sealed envelopes, up to the time of opening.

d. **Rejection of Application.** The right is reserved, as the interests of the Government may require, to reject at any time any and all applications, and to accept or reject any items of any applications unless such application is qualified by specific limitation. Failure to submit complete information requested in this notice is grounds for rejection of the application.

e. **Default.** In the event that the successful applicant fails to enter into a lease within ten (10) days after receipt of Government notification that the application has been accepted and

receipt of a draft lease for execution, or in the event that the successful applicant fails to otherwise comply with the terms of this Notice, the Government may declare, in writing, that the applicant is in default. If found in default, the applicant will be given ten (10) days to correct the default or forfeit any rights as the successful applicant. The Government may then select the next highest rated applicant.

f. **Additional Information.** Any questions concerning this application may be directed to: Mary Winston at (314) 331-8183. Questions concerning the proposed lease site should be directed to: Denny Foss, Operations Project Manager, Mark Twain Lake Project Office at (573) 735-4097.

g. **Award of Lease.** A lease will be granted to the applicant with the best application, who is most responsive to this Notice, provided that the applicant is responsible, has the necessary financial and managerial capability, the applicant's proposal is reasonable, and it is in the interest of the Government to issue the lease.

h. **Deposit.** Applicant will submit a non-refundable application fee of \$300.00, payable to "Finance & Accounting Officer, USACE, St. Louis District".

i. **Pre-proposal Conference.** It is the responsibility of the applicant to ensure that all lease provisions are understood and the condition of the premises proposed for lease are known. Prior to award of the lease to the successful applicant, the Corps will conduct a pre-proposal conference with all applicants at the Mark Twain Lake Project Office, tentatively scheduled for 10:00 a.m. on January 12, 2005. At this conference, the lease will be reviewed, Corps' policies will be discussed, and any questions regarding the application requirements will be identified.